



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243-6501

Phil Bredesen
Governor

M.D Goetz, Jr.
Commissioner

MEMORANDUM

DATE: January 16, 2008

TO: Medicaid Waiver Home and Community Based Services Providers

FROM: Patti Killingsworth, Assistant Commissioner, Chief of Long Term Care

CC: Mike Hann, Director, Commission on Aging and Disability
Directors, Area Agencies on Aging and Disability
Richard Strecker, Deputy of TennCare Long Term Care Operations
Kay Green, Deputy of TennCare Home and Community Based Services
Pat Santel, Director of TennCare Long Term Care Elderly and Disabled Services

SUBJECT: Enrollment for Direct Deposit of Provider Payments

Please find attached with this letter a form entitled "ACH (Automated Clearing House) CREDITS (Not Wire Transfers)" and one page of "Frequently Asked Questions about ACH." The ACH form, when properly completed and submitted with appropriate attachments, will allow Medicaid Waiver Home and Community Based Services (HCBS) providers to receive their monthly reimbursements via direct deposit. This will ensure secure deposits into the provider's bank account and allow immediate availability of funds from the bank account.

After upgrades to our statewide accounting system, we are now able to offer this feature for many more State of Tennessee providers. We have chosen a start-up date of March 15, 2008, to implement this direct deposit feature for Medicaid Waiver providers. We ask that all providers submit the requested information by January 31, 2008, to allow our Fiscal Unit adequate time to enter the information and test our system for potential errors. We anticipate making the first direct deposit on April 1, 2008, for all Medicaid Waiver providers. (This date is subject to change if unforeseen problems occur.)

Please complete the form in its entirety, and write your provider number in the upper right corner of the ACH form. Be sure to attach a VOIDED check (for checking accounts) or a VOIDED deposit slip (for savings accounts). Return all items to the address below:

**Bureau of TennCare
Long Term Care Division
c/o Shirley Jacobs
310 Great Circle Road
Nashville, TN 37243**

Finally, if you use the U.S. Bank for your agency's financial transactions, we are not able to offer ACH services at this time, due to system compatibility issues. We expect this problem will be resolved in the near future.

If there are any questions concerning this form, please contact Rew Sloan at 615-507-6417.

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
ACH (AUTOMATED CLEARING HOUSE) CREDITS (NOT WIRE TRANSFERS)

NAME _____

Federal Identification Number or Social Security Number _____
(Under which you are doing business with the State)

I (We) hereby authorize the State of Tennessee, hereafter called the STATE, to initiate credit entries to my (our) (select type of account) _____ **CHECKING** or _____ **SAVINGS** account indicated below and the depository named below, hereinafter called DEPOSITORY, to credit the same to such account.

This authority is to remain in full force and effect until the STATE has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the STATE and DEPOSITORY a reasonable opportunity to act on it.

Do you currently receive payments from the STATE through ACH? _____ (Yes or No). If yes, do you intend for this account information to replace other existing account information currently used by the STATE? _____ (yes or no). If yes, please specify the account that should be changed: ABA No. _____ Account No. _____.

Is this authorization only for certain types of payments? _____ (Yes or No), If yes, please indicate types:

Many banking institutions use different numbers for ACH. Please call your bank for verification of ACH transit and account number.

Bank official contacted: _____ Phone No. _____

DEPOSITORY/BANK NAME _____ BRANCH _____

CITY _____ STATE _____

ACH TRANSIT/ABA NO. _____ ACCOUNT NO. _____

NAME(S) _____
Please print names of authorized account signatory)

DATE _____ SIGNED X _____ SIGNED X _____

PLEASE ATTACH A VOIDED CHECK (OR FOR SAVINGS ACCOUNTS, A DEPOSIT SLIP):

PLEASE INDICATE ADDRESS TO WHICH YOU WOULD LIKE YOUR REMITTANCE ADVICES ROUTED
WHEN PAYMENTS ARE PROCESSED:

Contact name: _____

Telephone no: _____

FOR STATE USE ONLY

Contact Agency: _____

Contact Person: _____

Telephone No.: _____

Frequently Asked Questions from Providers Regarding ACH

1. What does “ACH” mean?

“ACH” stands for Automated Clearing House. Sometimes this is also referred to “EFT” (Electronic Funds Transfer) or simply as Direct Deposit. All three terms are used interchangeably. This should not to be confused with a “wire transfer.”

2. What does ACH do for me?

ACH is the method of dispersing funds via electronic means instead of writing paper checks. The funds are transferred directly from the State’s account, to the Federal Reserve Bank, and then to the recipient’s bank electronically. There is no uncertainty with delays caused by utilizing the mail, misplacing checks at the recipient’s place of business, and the risk of theft is greatly reduced.

3. Is it safe?

Yes, it is very safe. This is the method that 99.8% of State employees receive their paycheck. Most vendors that do business with the State also utilize this method of receiving payment as well.

4. Why is this starting now?

Previously, the computer system that TennCare used to make payments based on claims did not have the capability to interact with the State’s main accounting computer system to provide ACH details. We have overcome this challenge and can now offer ACH to any provider that wishes to sign up for it.

5. Do I have to sign up for ACH?

No, you are not required to sign up for ACH. But if you do, you will not have to worry about checks in the mail and your funds will be deposited directly into your bank account electronically.

6. Can the State take money out of my account?

No, the state cannot remove funds from your account in this manner. This is a “one-way street” from us to you.

7. What do I need to fill out to get ACH?

There is a one page form that we will supply you that you need to fill out. It needs your business name, federal tax identification number, signature of responsible parties, and bank information. Additionally, a voided check or deposit slip should be attached to confirm the bank routing information. We understand that many businesses may only have a deposit account and don’t have checks or deposit slips. If this is the case, you should obtain a letter from your financial institution on their letterhead with the pertinent bank account routing information on it. Just ask your bank account representative about it, they have probably have done it many times in the past and will know what you need. Then mail the completed form and any attachment back to TennCare.

8. How long will it take before my funds begin coming via ACH?

It may take several weeks before you begin receiving funds via ACH. We have to make sure that all the information matches in the TennCare computer system versus the State's accounting system. We may have to get additional information from you if we cannot reconcile the two systems. Normally that information consists of a new W-9.

9. I do business with other departments of State government. Will this affect the way I get funds from them?

It might. If you have set up ACH previously with another department like Children's Services or Health, we only have to make sure that the information that we are putting into TennCare's computer matches what is already in the State's accounting system. You will continue receiving funds from those departments as usual and then begin receiving your funds from TennCare via ACH. If you have never utilized the ACH function with the State, other departments will be able to use the ACH information that you supply to TennCare to send you their payments via ACH. This is because your bank account information is now in the State's main accounting system.

10. How will I know when I get the funds?

You will still receive your normal Remittance Advice from TennCare detailing your individual claims via mail. The amount showing as paid claims will be your amount of ACH. Additionally, you will receive a one-page remittance advice telling you how much you will receive in your bank account and on what day via ACH. This other remittance advice will come from the Department of Finance and Administration. If you currently receive funds from the State, it will be the same letter only stating that TennCare is sending you the funds.

11. What do I need to do if I change banks?

If you change banks, you will need to complete a new ACH form and send the new banking information just as if you had just started the ACH sign-up procedure. If at all possible, do not close the old account until you receive your first deposit in the new account. There may be payments in process at the time you change banks and if the old account is closed, it creates a "bounce back" and will then put a hold in the State's accounting system on any future payments until the situation is rectified.